

April 2, 2014

Mr. Glenn Giese
Principal
Oliver Wyman Consulting Actuaries
411 East Wisconsin Avenue, Suite 1300
Milwaukee, WI 53202

Dear Mr. Giese:

Thank you for appearing before the Subcommittee on Health on Thursday, March 13, 2014, to testify at the hearing entitled "Keeping the Promise: Allowing Seniors to Keep Their Medicare Advantage Plans If They Like Them."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Wednesday, April 16, 2014. Your responses should be mailed to Jessica Wilkerson, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to jessica.wilkerson@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

Joseph R. Pitts
Chairman
Subcommittee on Health

cc: Frank Pallone, Jr, Ranking Member, Subcommittee on Health

Attachment

Attachment —Additional Questions for the Record

The Honorable Joseph R. Pitts

1. Can you explain why your report projects deeper cuts to Medicare Advantage plans than CMS's estimates?
2. What are the tools that CMS has at its disposal to *legally* (i.e., other than a nationwide demo) reduce the impact of the cuts in the Advance Notice, through administrative or regulatory means?
3. What is the impact of the 2014 changes to the risk model on sick and frail Medicare beneficiaries, in particular those in Special Needs Plans?
4. How severe do you think these cuts are, and when was the last time you saw cuts of this nature—what was the impact on the program in terms of enrollment, stability, plan participation, etc.?
5. When Obamacare passed, the Medicare actuary projected the impact of the MA cuts: “We estimate that in 2017, when the MA provisions will be fully phased in, enrollment in MA plans will be lower by about 50 percent (from its projected level of 14.8 million under the prior law to 7.4 million under the new law).” According to my calculations, only about 20 % of the more than \$300B in cuts to MA that the CBO projects have been phased in this year. So is it safe to say that the worse is yet to come?
6. Do you believe if the proposed cuts will disproportionately impact the elderly living in rural setting? Why/why not?